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Darryl Piercy
Kittitas County Community Development Services
411 N. North Ruby, Suite 2
Ellensburg, WA 98926

(hand-delivered)

May 19, 2006

Re: *Kittitas Valley Wind Power Project*

Dear Darryl,

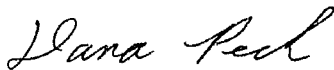
Thank you for Jim Hurson, Joanna Valencia and yourself being available to meet with Joy Potter, Erin Anderson and me on Wednesday. Horizon continues to seek clarity regarding the County's proposed process. Both you and Mr. Hurson indicated a concern that the voluntary reduction by Horizon of turbine numbers to 65 resulted in the appearance that the turbines had been relocated to the perimeter of the project area. We understand that the County is interested in having Horizon explore a reconfiguration of the project, locating up to 80 turbines "toward the middle" of the project, in an effort to determine whether such a reconfiguration can yield an economically viable project for Horizon. We understood your message Wednesday that our meeting did not constitute a negotiation and that our efforts to reconfigure the project "toward the middle of the project area" did not reflect any intent by the Board to consider approval of the application.

Horizon has attempted to model your suggested configuration. In doing so, we reviewed the transcripts of the various public hearings, but none of them give clear direction regarding what would be considered the "middle of the project" in terms of east-west versus north-south. Please let us know, using a project map if that would be helpful, what is considered "toward the middle" so that we can do a more detailed analysis. The modeling also requires inclusion of a setback distance. Taking your advice to review the record to clearly understand the commissioners' intent on this matter, I re-read the transcript of the May 3, 2006, BOCC hearing at which setbacks were discussed. The record is not clear on this issue. The commissioners suggested four different setback distances: 2,000' and 2,500 feet (Bowen, 5/3/2006 transcript at 12); one-half mile (Crankovich, 5/3/2006 transcript at 23); and a half-mile to 3,000' (Huston, 5/3/2006 transcript at 27). Please clarify which setback distance we are to use in our analysis.

Last, we remain unclear as to the point from which the setback distance is to be measured. The May 3, 2006, transcript contains different standards: from the non-participating property line and from non-participating residences (Bowen, 5/3/06 transcript at 12; Crankovich, 5/3/06 at 23; Huston, 5/3/06 at 27). Again, we ask for clear direction from the County as to which standard to use when we attempt to model a reconfigured project located toward the "middle of the project". To the extent setbacks will be different for participating landowners, please provide clarity as to that distance.

Being mindful of the upcoming continued hearing on May 31, 2006, I ask that you please provide us the three items sought above by Wednesday, May 23, so that we can complete our analysis and provide a response in a timely manner. As we discussed, our analysis may or may not lead us to the conclusion that the project remains economically viable, but we continue to be willing to undertake that analysis immediately upon receipt of the answers to the questions above.

I look forward to hearing from you.

A handwritten signature in cursive script that reads "Dana Peck".

Dana Peck
Project Manager